

# REED FILLS THE NEED

Pictured at right, Renville-Sibley Co-op Power CEO DeeAnne Newville (left), presents a check to the local Community Center and Cougar Club daycare facility in Franklin, MN, through the electric cooperative REED Fund.

## Electric cooperative REED Fund helps meet many needs for communities in South Dakota and western Minnesota

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Leaders of the Garretson community northeast of Sioux Falls had the vision for a much-needed expansion of the small town's non-profit daycare center. Since cobbling together two older structures in 2019 and taking in more tykes, it was apparent that the current white-hot demand for childcare was going to necessitate yet another expansion.

So they set their jaws, put together a plan and mustered up the will to make it happen for the sake of local families and the greater good of the community.

Now, all they needed was a miracle.

That miracle came in the form of a random conversation that took place between Blue Dragon Academy Board Member Kris Frerk and Sioux Metro Growth Alliance CEO Jesse Fonkert.

Frerk was in full fret mode over a lack of funding for the project, but it turned

out Fonkert had a fail-safe solution.

Through his contacts Angie Neises at East River Electric and Jay Buchholz at Sioux Valley Energy, Fonkert was aware of the Rural Electric Economic Development Fund, or REED Fund. He knew it was a valuable financial resource made available by electric co-ops in South Dakota and western Minnesota just for this kind of project.

Bottom line: Blue Dragon Academy will begin work in April with plans to complete the 3,500-sq. ft. project in November. Best of all, nearly 40 more families in and around the town of Garretson will have access to quality child care services.

While Frerk doesn't recall any trumpets blaring or harps playing in the background, she contends that her off-hand discussion with Fonkert was delivered by divine intervention.

"It's a pure miracle," she said. "We had been putting feelers out for funding because we have a big need in this area.

When I got that information from Jesse, it was just like a miracle. We jumped on it, we got accepted by the REED Fund Board and now we're ready to get the work done."

Blue Dragon secured a low-interest REED loan for nearly \$700,000. The non-profit organization is required to match \$239,000. Now Frerk and her crew are heavy on the fund-raising trail and have already received tremendous support from many donors in the community, she said. The Blue Dragon Board hopes to pay the debt off early with plans to hire five or six more workers once the project is complete.

For East River Electric Economic Development Director Eric Fosheim, it was another day at the office. His job is to match the money with the need, and he says many recipients respond with the enthusiasm and gratitude Frerk expresses when they receive funds.

He does fall just short of uttering the "M" word, however.



“It’s extremely satisfying to be in a position to help people solve problems and overcome challenges in their communities,” Fosheim said. “We try to work together with folks to cut through the red tape and bureaucratic impediments and come up with clever ways to get projects across the finish line. This is all made possible through the electric cooperatives and the fact that they take their responsibilities and obligations to their communities very seriously.”

The REED Fund has backed scores of projects and loaned out more than \$100 million since it was established in 1996. Fosheim sees it as the perfect tool for promoting local economic growth, improving infrastructure, enhancing community facilities and contributing to job, business and wealth creation.

Funds have gone to retail and service businesses, industrial parks and office facilities, fire protection projects, manufacturing firms, housing projects, health care facilities and more.

Approximate  
amount of money  
**\$100 million**  
loaned through the  
electric cooperative  
REED Fund

Chris Larson, general manager at Clay-Union Electric in Vermillion, and his board tapped REED funds to support the Wakonda Heritage Manor assisted living facility. They also worked with the business to secure a zero-interest loan through the USDA’s Rural Economic Development Loan and Grant Program.

“It’s truly an honor for us to have this tremendous resource available to help improve the lives of our members and the community at-large,” Larson said.

The real meaning of the REED program came to light when he and the board visited the place.

“We viewed the improvements they’d made, and heard from the people there about how it enhanced their quality of life. It really warms your heart to know you’re part of a co-op system that can have a positive impact on families and businesses. It just shows how much of a difference we can make when we all work together, pool our resources and get things done.”

East River cooperatives serving western Minnesota have also participated in the program. As with the Garretson community, parents in Franklin, MN, also had a need for a daycare center.

[www.reedfund.coop](http://www.reedfund.coop)

# RURAL ELECTRIC ECONOMIC DEVELOPMENT FUND REED FUND

CREATING  
IMPACT

PROVIDING  
CAPITAL

BUILDING  
COMMUNITY

The Cougar Cub Child Care Center was launched with the help of REED funds obtained through Renville-Sibley Co-op Power after two of the town’s three daycare facilities closed.

Renville-Sibley CEO DeeAnne Newville said, “We were happy to help fill the gap. Concern for community is one of the seven cooperative principles. It’s an example of the city, school and economic development coming together for the good of the people in our rural communities.”

For more information about the REED Loan program, visit [www.reedfund.coop](http://www.reedfund.coop).